

KLDC

Kingston Local Development Corporation

Micro Enterprise Lending Program

The Kingston Local Development Corporation's (KLDC) Micro Enterprise Lending Program can provide low interest loans up to \$7,500.00. In many cases, because a business is just starting up, they are unable to obtain financing through traditional financial institutions and in part, some applicants fail to meet credit scoring models worthy of consideration. The KLDC designed their micro loan program to focus on capital assistance for small business entrepreneurs. The lending program can provide businesses seed capital needed to start or to continue to grow their business. Our staff and finance committee will review each application on a case by case basis. Upon approval at this level, each application will be presented to the full Board of Directors for their approval. All decisions are at the sole discretion of the Board of Directors.

OVERVIEW

- Applicant must reside in Ulster County
- Business must be located within the City of Kingston
- Applicant must be a minimum of 21 years of age
- Applicant must be the owner of the business for which loan is being applied for
- Loans can be used for working capital and the purchases of fixed assets, including real estate
- Loans should promote employment at that business
- Project should have an economic impact on the City of Kingston
- Borrower must show a reasonable prospect of repayment

REPAYMENT TERMS, INTEREST RATES, and FEES

Loan repayment terms vary according to several factors:

- Loan Amount
- Planned use of funds
- Requirements determined by staff and committee
- Needs of the small business borrower

The minimum repayment term allowed for a KLDC micro loan is thirty six (36) months and the maximum repayment term allowed for a KLDC micro loan is seventy two (72) months. There will be a \$25.00 late fee for all payments received ten days after due date.

Interest rates vary and are subject to change upon Board recommendation and approval. Currently set between 2.5% - 4% depending on term of loan.

72 months – 4.00% 60 months – 3.5% 48 months – 3.00% 36 months – 2.50%

There is a non-refundable application/processing fee of \$100.00 and there are no closing fees.

We may forgo the traditional collateral requirements based on individual request from applicant, each applicant must complete all required forms, provide a personal guarantee as well as the following supporting documents:

- A business plan (complete description of your business)
- A completed Personal Financial Statement AND applicant must provide a current credit report which can be obtained at no cost at www.ftc.gov within 30 days of submission of application.
- Copies of prior two (2) year's business (or current interim financials) and prior two (2) year's personal federal tax returns and most recent W-2 to verify income.

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BUSINESS CREDIT APPLICATION

Applicant Information

Name of Business Applicant: _____ Date: _____

Business Mailing Address: _____

Business Legal Address: _____
DO NOT LIST P.O. BOXES (Street) (City) (State) (Zip)

Telephone No.: _____ Tax Payer ID #: _____

Email Address: _____

Business Structure: ☐ Proprietorship ☐ "C" Corporation ☐ "S" Corporation ☐ Not For Profit Corp. ☐ Partnership

☐ Limited Liability Company ☐ Other _____

Organized in the State of: _____ How Long Established _____

How Long Under Current Management: _____ Nature of Business: _____

Annual Sales: _____ Business Net Income: _____

Business Net Equity: _____ Number of Employees: _____

Principals/Guarantors:

1. Name: _____ **Title:** _____ **% Owned:** _____

Home Address: _____ **Home Telephone #:** _____

Social Security #: _____ **Date of Birth:** _____

Business Telephone #: _____ **Driver's License #:** _____

Personal Net Worth Excluding Business: _____ **Personal Income: \$** _____

2. Name: _____ **Title:** _____ **% Owned:** _____

Home Address: _____ **Home Telephone #:** _____

Social Security #: _____ **Date of Birth:** _____

Business Telephone #: _____ **Driver's License #:** _____

Personal Net Worth Excluding Business: _____ **Personal Income: \$** _____

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Please provide your most recent two years business and personal tax returns and a copy of your Corporate Resolution or DBA Certificate.

Credit Request

How much do you want to finance? \$ _____ How long would you like to repay the loan? : _____
(72 months is maximum)

What will the money be used for? : _____

Banking/Financial Information:

Business Deposit Accounts:

Bank or Financial Institution	Contact	Type (Savings/Checking)	Account#	Balance

Business Loans/Obligations/Leases:

Bank or Financial Institution	Contact	Type (Savings/Checking)	Account#	Balance

Miscellaneous:

Please provide details on an attached sheet if you answer YES to any of the following questions:

Is the Applicant an endorser, guarantor, or co-maker for obligations (including any lease obligations, e.g., vehicle, equipment, lease of business location) not listed on its financial statement? ☐ Yes ☐ No

Is the Applicant or any proposed Guarantor a party to any lawsuit or subject to outstanding judgments? ☐ Yes ☐ No

Has the Applicant ever declared bankruptcy? ☐ Yes ☐ No

If Yes, Chapter: _____ Date of Filing: _____

Are any of the Applicant's or any proposed Guarantor's taxes past due? ☐ Yes ☐ No

If Yes, Amount \$: _____ Owed To: _____

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Are there any assets pledged or mortgaged other than as stated on the business and personal financial statements submitted? ☐ Yes ☐ No

Are any of the Applicant's or any proposed Guarantor's obligations past due? ☐ Yes ☐ No

Have any of the proposed Guarantors ever filed for personal bankruptcy or served as an officer in a company that declared bankruptcy? ☐ Yes ☐ No

Name: _____ Chapter: _____ Date of Filing: _____

Is the Applicant or any proposed Guarantor presently under indictment, on probation or parole or ever been charged or convicted for any criminal offense other than a minor motor vehicle violation? ☐ Yes ☐ No

Business Service Professionals & Products:

Accountant: _____
(Name) (Firm) (Address) (Phone #)

Attorney: _____
(Name) (Firm) (Address) (Phone #)

Insurance Agent: _____
(Name) (Firm) (Address) (Phone #)

Business Name: _____

Authorized Signature and Title _____ Date: _____

Authorized Signature and Title _____ Date: _____

Authorized Signature and Title _____ Date: _____

Authorized Signature and Title _____ Date: _____